

Fiscal Note

Fiscal Services Division



HF 810 – Wind Innovation Zones and Tax Credits (LSB 1348HZ.1)
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Fiscal Note Version – As amended by **H-1558**

Description

House File 810, as amended by **H-1558**, relates to wind energy production. The Bill creates a “small wind innovation zone” process. The process allows for the creation of a model local ordinance and model utility interconnect agreement. The Bill, as amended, allows wind innovation zone projects access to existing wind energy production tax credits created under Chapter 476C, Code of Iowa. The tax credit is equal to 1.5 cents per kilowatt-hour produced and is available for 10 years after an approved project commences operation. The Bill is effective upon enactment and its application is retroactive to tax year 2009.

Assumptions

- Sufficient demand for wind energy production tax credits currently exists under Chapter 476C to fully utilize the current capacity cap, so expanding the program to also include small wind innovation zone projects will increase competition for the credits, but will not increase the dollar volume of credits redeemed.
- Should the current maximum generation capacity allowed under Chapter 476C be increased (see HF 810, Wind Production Tax Credit Bill), then adding small wind innovation zone projects to the Chapter 476C program would have a fiscal impact.

Fiscal Impact

Allowing Chapter 476C tax credits for projects in small wind innovation zones will not have a fiscal impact on the State General Fund as long as the maximum generation capacity limit under Chapter 476C is not increased.

Sources

Legislative Services Agency Analysis
Iowa Utilities Board

April 14, 2009

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to **Section 2.56**, Code of Iowa. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
